

**REGULAR MEETING OF THE COMMON COUNCIL
OF THE CITY OF PLATTSBURGH, NEW YORK**

February 5, 2009

5:30 P.M.

MINUTES

Present: Mayor Donald Kasprzak, Councilors Tim Carpenter (W1), Michael Kelly (W2), George Rabideau (W3), Jim Calnon (W4), Amy Valentine (W5), Chris Jackson (W6)

Absent: None

1. MINUTES OF THE PREVIOUS MEETING

RESOLVED: that the Minutes of the regular meeting of the Common Council held on January 29, 2009 are approved and placed on file among the public records of the City Clerk's Office

By Councilor Carpenter; Seconded by Councilor Rabideau

Roll call: Councilors Carpenter, Kelly, Rabideau, Calnon, Valentine, Jackson

(All voted in the affirmative)

2. PAYROLLS OF VARIOUS DEPARTMENTS

RESOLVED: That the payrolls of the various Departments of the City of Plattsburgh for the week ending February 4, 2009 in the amount of \$285,290.79 are authorized and allowed and the Mayor and the City Clerk are hereby empowered and directed to sign warrants drawn on the City Chamberlain for the payment thereof.

By Councilor Calnon; Seconded by Councilor Valentine

Roll call: Councilors Carpenter, Kelly, Rabideau, Calnon, Valentine, Jackson

(All voted in the affirmative)

3. REPORTS OF CITY OFFICES & COMMITTEE REPORTS

- Report of Fire and Ambulance Responses for the week of January 29- February 4, 2009
- Report from the Building Inspector's Office from December 3-February 2, 2009

RESOLVED: That the reports as read are hereby ordered, received and placed on file among the public records of the City Clerk's Office.

By Councilor Carpenter; Seconded by Councilor Jackson

Roll call: Councilors Carpenter, Kelly, Rabideau, Calnon, Valentine, Jackson

(All voted in the affirmative)

4. AUDITS OF CLAIMS

RESOLVED: That the bills approved by the Auditing Committee of the Common Council in the

amount of \$489,622.55 are authorized and allowed and the Mayor and City Clerk (where required) are hereby authorized and directed to sign warrants drawn on the City Chamberlain for the payment thereof.

By Councilor Carpenter; Seconded by Councilor Valentine
Roll call: Councilors Carpenter, Kelly, Rabideau, Calnon, Valentine, Jackson
(All voted in the affirmative)

5. PERSONS ADDRESSING COUNCIL

William Drew of 13 Mason Drive commends the Council and Mayor for running the City like a business. Drew said he has known the Mayor for a long time and knows that he has good intentions. He believes the Council has sold its self short in terms of public perception on the MLD case. This Council has not had a rate increase in several years. Since there hasn't been a rate increase you have saved the ratepayers \$675,000-\$900,000 since its costs \$225,000 to put in for a rate increase. Drew recalled Councilor Valentine saying that you can't raise rates during a recession. Drew thinks that anytime you raise rates it impalpable. He thinks they do need to come up and we do need a rate increase. Drew mentioned that Mr. La Capra said it may not be necessarily an 11% rate increase it could be a little lower and that you may find MLD in prosperity and if so you could always lower the rate. Drew said what he took from that was that 11% is the ceiling but not necessarily what you must charge. In terms of job reductions Mr. La Capra refused to answer Councilor Carpenter's question about job reductions because he is a financial consultant not a policy maker. Drew said if there is any doubt in your mind Drew suggests the Council wait on that decision until the PSC gives an idea about MLD.

Mike Kulic of 35 Hamilton Street loves the City. He has seen Plattsburgh in its high's and lo's but feels we are going in the wrong direction. Kulic thinks we are cutting our nose despite our face and nickel and diming on important things that we shouldn't be. Kulic referred to the late George Carlin and said he hopes you "bleeps" do the right thing tonight.

James Tooley of Kennedy Avenue has been in manufacturing for over 30 years. He has laid off hundreds of people and everyone a difficult decision and a personal decision. They are never easy but the one thing he has found out through his career that when the time comes to act you act and if you don't act you jeopardize the livelihood of everyone. When you need to take action you must take action or you will affect a wider range.

Mary Cleveland of 59 Prospect Avenue said she thought that government was in place for the people and the unions were for the workers. Lately it seems that the employees of the City have both entities in their favor. Cleveland said it appears that four Councilors are determined to deliver a major jolt to people at a time of a major economic crisis. Cleveland would think that the public trust would weigh heavily on the Councilors decision making and only the truth is known to them. You must cut cost like everyone else and hold the line on rate increases until we know where this economy is going to land. To do otherwise would be short sighted and selfish. You have Mr. Treacy that said he can run MLD without them and you have Mr. La Capra that said the system is sound and reliable. Don't you think that is where the focus should be? No one wants to see someone loose their job. The men whose positions we are speaking about know a valuable trade who will possibly find

other jobs in the private sector. One factor that MLD is facing is the loss of \$400,000 worth of electric usage from Georgia Pacific. If other businesses are forced to cut back and or leave then it will affect the tax base. Cleveland said please don't steer us into a train wreck. We heat our home with wood to conserve energy and it's not easy. We are getting older and it's not easy. If you decide to give us this rate increase we will have to find more ways to lower our usage. Cleveland said she could live in the woods on a wood stove and oil lamps but who knows if there will be any left of the state of New York keeps buying up property. Before you tell us to cough up more money please think about all the good people who put you in office, young old and in between. Remember that the same, can remove you come Election Day; it has a way of rolling around.

Dale Dowdle of 48 Cogan Avenue thanked the Mayor for the article in the paper. It was a ray of sunshine during a gloomy time and hopes that all of this has become a learning lesson. Mr. Brown told at least two of the Council in the last term what was in store if action was not taken and they choose not to listen. Now we are not listening to what our manger is telling us to do. Dowdle said personally he would not want to throw 6 people under the bus that has been driven recklessly by the Council in the past because that is what got us here today. Who do you listen to the local minority or the silent majority? I hear about a rate increase of 11% and that will affect everyone. So I go get my hair cut and that rate is going to go up because their electricity went up. I go wash my car the car place is going to go up. So another 2-3% rate will be passed on to the consumer, I don't have anyone to pass my bill on to, I don't need to but there will be plenty of people who do. In reference to an initial item, "the appointment of Maurcia Gilbert" Dowdle asks that it never be acted on. He has never in his life witnessed such a performance by such an individual representing the City of Plattsburgh.

Leonard Duquette of 146 Oak Street said every day he watches a stream of cars come into Plattsburgh to work and then depart. There are a lot of people who earn money in the City but live outside the City. We are a small community of older people who pay dearly for this system. The cost is a pack of cigarettes, a six pack of beer, a trip to McDonalds, one time through the month will pay for this increase to keep our people were they are at. As a pilot program MLD gives money to the City, Duquette would think the City would give them a tax break on that so that a portion goes back to MLD versus the general fund for bike paths that we don't need. Most of the older people don't go on the existing paths. I could care less if Georgia Pacific or a big industry left because a lot of people in the City don't realize we pay on that nuclear charge once we hit a limit. We have all these street lights that MLD paid for, turn half of them off. We are not being frugal with our time and effort.

Dan Rugar of 9 Main Road said he appreciates all persons charged with the responsibility to serve City citizens. There is a simple mistake of the confusion of a rate increase with a tax bill. They are similar to a business because they are an expense and they come from the City. The fundamental differences which they are are in the expectations, risk benefit ratios, and the type of cost variables. A similar mistake is confusing coupons for cash. A utility user's expense becomes direct and proportional revenue applied to the operations in the maintenance of the infrastructure. A tax paid by landowners becomes revenue that may go in any direction at any time to accomplish who knows what. The city has many famous failures. These failures have wasted city money, federal money, and state tax money via grants. The primary utility, electric power is needed to deliver portable drinking water and then electric is required to collect and treat human waste water. Its insurance is

for a safe and sanitary City. This must be ensured. Rugar came up with some metaphors comparing tax bills to utility bills: need of breast implants to the necessity of a pint of blood, Viagra is a necessity and heart medication is amenity. Rugar is asking the Council to know the difference between a utility increase and a tax increase. Don't cut utilities instead cut taxes. Rugar presented a ball that was light and green. The light part represents the relatively light financial burden compared to NYSEG, the green symbolizes the environmentally hydro generated source PMLD utilizes. Rugar asks the Council not to drop the ball on MLD and he gave Councilor Kelly the ball.

Kirk Stallsmith of 5 Jerry Drive works at Georgia Pacific as the Plant Manager. He has been here two years with his family. They decided live in the City because of the plant and it's a way to support the community. He is very involved with the community. He is concerned about the double digit rate increase. We have an excellent relationship with MLD and we are working on some endeavors that will help generate revenue because we have had a decrease in energy. Stallsmith said he is fighting to keep the plant alive and running. We had a lay off of over 70 employees, we held a job fair. We have a situation that is coming in June with steam that could raise our energy costs to a million dollars a year. It is not the straw that breaks the camels back but it is one of the straws in the bucket. The more the gap closes between MLD and NYSEG the greater the potential for people that will vote with their feet. Sometimes it will mean people will move out of the City. Some cases people will vote with their feet and move out of the state altogether. I don't have time to talk about my philosophy tonight. I am not here advocating one way or the other to have layoffs; it's not about layoffs it's about fiscal responsibility. These decisions are never easy. It is gut wrenching. I can't raise my rates given the situation nor can I staff for the "what if" situation. I have heard about the ice storm and I know it was tragic but you can't staff for that kind of situation. You staff for preventive, predictive and precision maintenance then when you have capitol work its typical to contract out. That's how most businesses work. From a personal opinion, government needs to reengineer its self. We operate in silence, departments with departments and businesses with businesses. Why can't we have a public works worker work there for the first three days and then on the fourth day he flags for MLD. But, we don't operate that way. We have just gone through a huge change in staffing and we are completely reengineering ourselves to change internally to get the job done and do what we have to do.

Jack Brown 61 Bay Road was the operating Superintendent for 23 years and manager for 8. I can guarantee you that you need these people to operate the system. Brown was here during the ice storm and these people put everything back together. He was also here when the college blew up and the guys put it back together. You need them for the safety of the people of Plattsburgh. The system is approaching 30-40 years old. You just made an investment for 12 million dollars for two brand new stations without these people you can not convert. If you recall just after you approved the Saranac Street Substation the transformer failed. Brown said he knows that there is a problem, no matter the season, time and year rate increases aren't good because you have an election coming up. He said he has been told this. Last time we tried to do a multi year increase, at least four of you on the Council said we have to wait. Well we waited and you were warned that by 2008 we would be in the hole and you are there.

Stuart Voss of 38 Hillcrest Avenue served on the Council from 2001-2004. His concern is that the issue is being treated in to narrow of fashion which is a continuing problem with City government. The large percussion gets pushed aside and dealt with later. Anybodies employment is important.

This issue raises the larger question of fundamental decisions over the long term that have to be made when you have a short term consideration. Those of you who oppose a rate increase say you simply can't afford a double digit increase at this time. Everyone needs to calculate their bill and evaluate lets say an extra \$15 and see what else you spend money on that is \$15. Long term think about the health of a system that is the whole nature of your life in the City. We talked about water, good sewage and electricity. This institution has brought us a source of power that has been reasonable and efficient and has brought us information on how it works. If you went around the state you would see that MLD is highly regarded. We have to weigh here what is the value to us of a savings of 11% on our tax bill versus the long term reality for ourselves living in a City in which this important institution is the base foundation for the way of life we live here. They are not easily transferrable. You can't dismiss one month and then hire them a next. They are talented and they have to move on. The problem is the decisions that are made and in regards to MLD they are made on a political basis. If you are not willing to be a Board of Directors and meet once a month and study the issue of running a utility then get out of the way and let an independent body in the City make the decisions. Today is a short term temporary reality from this long term problem.

John Welch was born in the City 65 years ago. He attended many Council meetings in the summer. He watched the Police Chief come in and give the Council a song and dance saying he needed more Police Officers and so three were hired. He understands why some of the MLD men are upset when the Council is still hiring more people. My problem is that the Council and the Mayor work hard to make tough decisions. The only one who made sense up here is the guy who runs Georgia Pacific. Most of the people in this have jobs for life and don't have to make tough decisions. Jackson said these problems have been thrown on you (the Council). Welch said he thinks they have studied it enough. It is time that this Council looks at it as a business. Like Jim (Calnon) who ran a business and the Mayor who had a liquor store and delivering bread. This isn't just the Champlain Valley, its going on in the world, the state, the country. 675,000 got laid off last week. If you can't sit up and grow a set and do what's right for the City and not listen to previous managers that maybe got you in the mess you are in to. Most of the employees don't even live in this city and pay the bills like the previous woman that just talked. People like me and everyone here pitched in during the ice storm. It wasn't just MLD, people came from other municipalities. It always seems to be a crisis that makes people get down and do the right thing. Well today there is a crisis in the City of Plattsburgh. It is time for the seven of you to stand up and do what is right for everyone.

Maryanne Bukolt-Ryder of 61 Clinton Street was able to put in with the help of City financing three low income rent apartments about her law office. They are rent controlled. They are getting increasingly hard to rent and one of the things she is hearing are how much are the utilities. She would like the Council to know that there is another industry that this affects and that is the college, the kids that we have not always been that friendly are business for us and generally low income. When you raise 11% for me probably doesn't mean that much but the students and elderly low income people its significant. It is also significant for landlords because of unpaid bills added on to their taxes.

Jen Colver of 35 Hamilton Street thinks that the municipal power of MLD is what is best for the City of Plattsburgh and for all the citizens. There is not place to go and pay less even if 11% is necessary. We need to do this not to save just six families, having safe and efficient power is what is at stake. Colver remembers when Mr. Treacy said these men are needed and now Colver heard that he reneged

that statement. Colver can't see how one line crew could be called for an emergency and then go right in the next day. So what is best for the City of Plattsburgh and every rate payer is to keep the municipal lighting department healthy. A rate increase was needed last year and the year before and it wasn't done and now it's a big one. It will only get bigger and MLD weaker if you do not take care of it tonight.

Ed Champagne of 86 Court Street is grateful his was reminded about the burden it puts on landlords and keeping their renters renting. Last week Champagne turned in his light bills and everyone calculated the rate increase and it was anywhere from \$30 to well over \$100 a month, far from \$4-\$8. The 15% is significantly higher than the 5.4% and the 11%. So are so many things that are going around, politics, relatives, friends and fact is no body wants to see anyone lose their job. But this gentleman had to lay off 70 people, he was brave enough to talk about his business and where it is. People come to this City based on desirability and affordability. So people love the place and want to be near the lake, family the college but can they afford it. There have been made promises and Plattsburgh has extremely high land taxes compared to other cities in the state of New York. The offset was, we were promised low utility rates. Once you raise these rates you are not going to go in the other direction. I don't think in the history of Plattsburgh anyone has heard of a rate decrease. It would be ridiculous to even ask for one since the cost to put on in it \$225,000.

John Seiden lived here all his life. Times right now are terrible all over the country. A little while ago City residents went to the polls and voted you guys (the Council) in. We voted you in clearly with a mandate. We were tired of the way the City of Plattsburgh was run. We wanted people to run the City as a business and not a free for all like it had been. With that mandate comes responsibility. I am not talking about individual jobs but the economic climate. We are all eventually going to get out of it but some decisions have to be made to get through terrible times. This can be revisited. Wish you all the best. It's a tough thankless job. City of Plattsburgh is a business and should be treated like one. What makes us different from everyone else is the cheap electric rate. It's our crown jewel. I don't envy anyone but we gave you a mandate when we voted you in we want you to make a decision as if it is a business.

Eddie Bergen is a small business owner who came from Long Island and opened up a business. She said she works hard every day and employs 11 people. She hasn't been able to earn back what she put in. Now, you want to burden me more when I brought business to the City. Bergen said downtown is not prosperous; big businesses are pulling out of the area. We are in a rough economy and now you want to raise our rates when we are struggling to keep a head. As a business owner Bergen has done everything to keep her prices low. If you do this it will affect far more than 6 people. With the economy the way it is Bergen is shocked that the Council would want to throw something else on top of it. She is opposed. We are struggling.

Marvin Benton is a small business owner who moved his business into the City for a few reasons but the main reason was because the electric rates were low. Most of the letters he reads are against the rate increase. It should be voted on by the tax payers. What is the Council getting paid by the union? Everything the union wants you guys (the Council) are giving it to them. The last eight years the school taxes have doubled. Benton's rates alone will go up a \$100 a month. He is small business with ten employees and wonders if you want them to move back out of the City again. It sounds like you all don't care. He doesn't want to see anyone get laid off nor does he like laying his people off

but if he has to close he would lay off 11 people. If you guys want to keep these guys on then you pay them the rest of us can't afford to pay them.

6. OTHER ITEMS

A. Motion to approve Mayor's Executive Order abolishing positions of 5 Line Workers and 1 Line Worker Helper.

By Councilor Calnon; Seconded by Councilor Carpenter
Discussion:

Councilor Carpenter said the seven of them have talked about this for a long time. He had hoped there could be a compromise. Carpenter told a story. There are two guys in a rowboat in the middle of the ocean. One guy said to the other look over there, there is an island, lets go there build a shelter find some food and wait to be rescued. The other guy said no that wont work lets take the boat deeper into the ocean and look for the shipping lanes to be rescued. Neither budges, they argue. The boat tips over and they both drown. Carpenter said he doesn't want that to happen to them. He believes that they are in that boat right now. He hopes the Council can come up with a compromise.

Councilor Calnon had passed out an unemployment chart and unemployment continues to be on the rise. It is important because on average the increase will only raise some dollars for some people. Calnon said he could pay it and so could George (Rabideau) and Donny (Kasprzak) but there are a 1,000 more people in Clinton County than there was a year ago. At least 200-250 live in the City. The second piece of information Calnon gave out was a piece of information he got from an attorney. It is comparing a person's income to IRS standards and the maximum allowed unemployment insurance. It is about \$1750 a month. Calnon challenges anyone one has a three person family where you have to pay your rent/mortgage, feed yourselves, and you have to heat your home etc. and you have to do all the other things to live comfortably up here. Someone pointed out that the Councilors made \$10,000 a year; so we can afford to pay for 75 of our neighbors because we are not the typical affected customer. It is the person who can not make their payment and that is what Calnon is worried about. He said we absolutely have to raise the rates. The reason the Council didn't have a rate increase in 2007 at that point was because it didn't even consider cost reductions. They have to be considered. We have to look at cost reductions and rate increases. This is why we are here today. We are talking about cost reductions. Calnon said he typically doesn't pay his bill inside but he had other business to do one day so he went into the City Chamberlain's office and waited in line. Calnon saw two things, there was a man pleading to a woman behind the counter for advice on how he can reduce cost, his thermostat is at 65 degrees already how can he afford his January bill; on the right there was an elderly woman counting out coins to pay her electric bill. So when Calnon asks what is the difference between 5% or 15% or 11% he thinks of those people. We have an obligation keep our rate increase as low as we possibly can. The only way to do that is through cost saving.

Councilor Rabideau said he heard a couple people mention that the MLD manager stated that he didn't have enough work and he could do without these people. Rabideau wants to state that he can't recall at any meeting that he ever said he didn't need the linemen or didn't have the work. He did state that he had the work and needed the lineman when La Capra was there. Rabideau thinks we all (the Council) should share the blame for not having a rate increase at that time. We have to have a

rate increase. Rabideau feels there should be a compromise where there isn't one extreme versus another extreme. Rabideau would like to see part of the compromise involve the union. The union can come out and say they will cut overtime but that will not work. There is always need of overtime just like the fire department. There is always some reason why because it's in the budget because it's anticipated. Maybe it's not taking a pay increase or maybe the Council could come up with a compromise. Rabideau said he is the liaison for Public Works and that there are things that are not in the paper. When the budget was passed Public Works lost people and it didn't appear in the paper or in the radio. MLD has no Superintendent. There is no Senior Account Clerk. Senior Account Clerk we are making the Finance Director. There is no Meter Reader or Meter Foreman. Rabideau isn't sure what is going to happen with them. There are positions other than the lineman positions that they are already out of that don't appear in the paper or radio just as Public Works. Rabideau would like to see a compromise.

Councilor Kelly thanked Mr. Rugar for his ball and its going to say 2037 and the generation after him it will say 2137. We have a real asset with MLD. We want to keep it and cherish it. Kelly said to him municipal power is one of the most democratic things going. He is glad we have it. Kelly said the Mayor came in November and said he wanted to eliminate positions. Kelly said he is a real budget cutter so he was all for it. Then he started to do a little research and now he is firmly convinced we need the six positions. There is plenty of work. No one wants to pay more money for anything, Kelly said he doesn't. His groceries go up and his car insurance. He wonders why MLD should be any different. Everything he buys now cost more than three years ago. Kelly every once in a while goes to Bobby's Lounge for a beer and he cant ask Bobby to give him the 2006 price. MLD's expenses go up every up year. You have to pay more for the workers and health insurance goes up drastically, the materials go up. Everyone is going to get a rate increase. MLD remains today a fantastic bargain. Mr. La Capra lives in Westchester County at 23 cents per kilowatt hour and we pay 4.2 cents per kilowatt hour in the winter. MLD has a lot of challenges. You could get rid of them all but that will not solve the fiscal crisis at MLD. The line workers are the guys who make the money at MLD; they are the producers and assembly line. If you cut them in half then you cut the production and ability to generate more income and revenue. Kelly hasn't had anyone tell him, Mr. Kasprzak or Mr. Treacy how we will deal with that. What if the hospital cut half their nurses, how would you deal with the patients, you can't. One of the things to Kelly that has been so wonderful about being on this City Council with these people, his friends, he would hug the guys down the table if he could reach them is that they have always found solutions. They talk among themselves and email and find solutions but this time they haven't been able to. He is so sad about it. He hopes at some point they can all find a middle ground.

Councilor Jackson has been keeping track of the speakers and there are 8 in favor of abolishing the position and 8 opposed tonight. Jackson entered his "In my opinion" piece into the minutes that was printed in the Press Republican. **See attached letter.** MLD is a jewel. Jackson said he is an accountant for a maintenance department that consists of 170 people and he knows what happens when you don't keep up with maintenance. Jackson said he has never been in favor of cutting the department by 50% but he has never said that zero what right either. He hopes a compromise can be reached and keep MLD with the level of service, safety, dependability that people have come to expect. Jackson is not in favor of a double digit rate increase. There should be spending cuts but never ever felt six was appropriate, never cut half of your maintenance staff.

Councilor Valentine is not in favor of a double digit increase. She can not see how to hold or stay the course without laying off these 6 linemen. We are in an economic downturn and she doesn't see it turning around anytime soon. When you raise rates during a recession the burden falls on fixed incomes. She doesn't see how to keep the rates below double digits without the proposed lay offs.

Councilor Rabideau said if we vote down the abolishments of the 6 lineman that we could then make a compromise.

Mayor Kasprzak said so in other words if you vote to keep the lineman you want to make a compromise publicly.

Councilor Rabideau said we could move forward in the future or tonight.

Mayor Kasprzak said first we need to have the vote then I am sure someone might want to discuss that. The Mayor said he doesn't have a vote on this. There have been countless emails, letters, columns, and articles for the last few months. The Mayor jotted down some words that the Council will recognize: rate increases, lay offs, Public service commission, conspiracies, power authority, outrage, misinformation, no information, more information, dictator, communist, large industrial users, friends and relatives, a majority of city residents have discussed this issue through emails, blame that continues to surface in 2003, 2004, 2005, 2006, and 2007, retirees, senior citizens, fixed incomes, tax burden, and people saying "I cant afford a rate increase," then people say "I can afford it. I will pay more," union concessions were mention and I (the Mayor) haven't heard anything since, and compromise which has been mentioned tonight and in recent discussions. The Mayor said he likes to keep things simple, here are your revenues and here are your cost and expenses. The revenues are decreasing for no bodies fault. I can't blame Georgia Pacific or any other big industrial user for decreasing their electricity. Mr. Tooley from Nova Bus ran Bombardier and that was what he was referring to you about the people he had to lay off. Their power usage has decreased. So if you have this imbalance you have to raise rates to everyone out there. We all agreed to a 5.44% rate increase after serious discussion with Mr. La Capra. Things have changed in the country, state and city since then and it's not our fault or MLD employees fault, or the residents. So you raise rates and borrow money or you reduce your costs. There is a combination of these things which will result in another discussion. Before I borrow any money and raise your rates double digits I am going to make sure my voice is heard to reduce costs to the maximum amount I can in my opinion. Safety and reliability is an issue, maintenance is issue, and do we build out in the west end and borrow more money. When Mr. Treacy initially talked to me about the recommendation reduction and I believed in it. This has been a difficult time for everybody in this room. I will guarantee we will have to work it out after tonight.

Roll call: Councilors Carpenter, Kelly, Rabideau, Calnon, Valentine, Jackson
(Councilor Carpenter, Kelly, Rabideau, and Jackson voted in the negative. Councilor Calnon and Valentine voted in the affirmative)

ACTION TAKEN: Defeated

Follow up Action: None

B. Request from the City Chamberlain to consider the contract for services with Stafford, Owens, Curtin, Trombley, PLLC, to provide tax foreclosure services.

RESOLVED: In accordance with the request therefore the Common Council approves the City Chamberlain to consider the contract for services with Stafford, Owens, Curtin, Trombley, PLLC, to provide tax foreclosure services.

By Councilor Valentine; Second by Councilor Carpenter

Discussion:

Councilor Kelly asked if this went out to bid. Kelly doesn't recall seeing any.

Mayor Kasprzak said no, Mr. Marks and Mr. Clute discussed this. They called several people.

Councilor Rabideau asked if we could reiterate what we talked about last meeting.

City Chamberlain, Richard Marks said we have 49 parcels with \$475,000 which is outstanding. We did send out RFP's and no one answered.

Roll call: Councilors Carpenter, Kelly, Rabideau, Calnon, Valentine, Jackson
(All voted in the affirmative)

ACTION TAKEN: Adopted

Follow up Action: None

7. RESOLUTIONS FOR INITIAL CONSIDERATION

1. The Mayor hands down the appointment of alternate member of the Zoning Board of Appeals to Connie Fisher, from her position as a permanent board member. Appointment effective until 12/31/2013
2. The Mayor hands down the re-appointment of permanent member of the Zoning Board of Appeals to Maurica Gilbert. Appointment effective until 12/31/2013.
3. Request from WFP to extend the contract for Polyaluminum Hydroxychlorosulfate PCH 180 for one year with an increase price from \$0.1845/lb to \$0.192/lb.
4. Request from MLD to write off unpaid bills from April 1, 2008 to April 30, 2008 in the total amount of \$1,320.65.

8. NEW BUSINESS

Councilor Jackson said he would like to make a compromise on MLD by un-funding 1 lineman and 1 lineman helper in the 2009 budget. Jackson said that in 2008 we didn't make a contribution to the Depreciation account. Assuming in 2009, after talking to the PSC we will be making those contributions as long as cash flow allows. The amount of usage for the month of January is up 4 million kilowatt hours over January of last year which is a healthy chunk. We cut the staff by two it reduces the amount of increase from 11% to 9.15%. Jackson said the depreciation account currently has 1.95 million in it. Mr. La Capra said we should not use 1.75 million to reduce bonding obligation. Jackson would like to propose that we are making our depreciation payments of \$110,000 a month and by June when the bonding comes up we should have \$2,610,010 in the depreciation account.

Jackson would like to, when we go out to bond use \$1,110,000 to reduce obligation which reduces the percentage of increase to 9.56%.

By Councilor Jackson; Second by Councilor Carpenter
Discussion:

Councilor Calnon said that there is a problem with what he (Jackson) said. Assuming that we have the ability to make the depreciation fund payment and we don't. We should check with Mr. Treacy and Mr. Marks. We did not make \$1.3 million that was scheduled in 2008 and we have scheduled \$1.34 million in 2009 but the budget that you passed in January was unbalanced so there is a million dollar deficit already built in for 2009 so we don't have that million dollars to put away. Is that correct Richard (Marks)?

City Chamberlain Marks said yes. You would pay the employee's first, then benefits, then materials, third you would pay debt service, and then the power bill and unfortunately the last thing you would pay is the depreciation fund. There is no surplus cash.

Councilor Jackson asked, the \$1,650,000 deficit is compounded based on \$400,000 deficit from the previous year?

City Chamberlain Marks said no. We are looking at a deficit from 2008 for \$420,000 plus previous debt.

Councilor Calnon said the budget isn't balanced.

Councilor Jackson said he will still make the recommendation to reduce a lineman and one lineman helper.

Councilor Kelly said that when he gave his earlier speech he talked about compromise. It is very important to him. So in the spirit of compromise and recognizing we are in tough times he will support this and he is ok with this.

Councilor Rabideau wanted to clarify that we aren't abolishing them.

Councilor Jackson said un-funding.

Councilor Calnon said John Clute told us how two ways to get rid of positions, abolish or it can be take it out of the budget so call it what you want it's eliminating the positions.

Councilor Valentine wishes we could take a pause. We still don't know what the PSC is going to propose. Still reluctant and will say our revenues will continue to go down. So Valentine is not in favor of a compromise right now. Valentine doesn't think it will effectively produce a rate that will be reasonable for the tax payers of the City.

Councilor Carpenter said we can't afford to wait to long. We have to decide and get the information to Mr. La Capra. We have to get our increase presented in front of the PSC. Waiting 2-3 months will

affect the rate increase as to when it comes about. Carpenter said he is personally happier with keeping four than six. We can't afford to lose all six men. Carpenter implores all of the Council or at least four to give a positive vote and get this rate increase figured out and give it to the PSC. We can continue to work on MLD as time goes by.

Councilor Calnon said that Councilor Jackson presented this piece of a larger plan. Just to be clear the budget that was passed has a million dollars in pending shortfall. In order to maintain the depreciation as recommended by a consultant we need to borrow \$1.7 million which adds more than a percent of a rate increase to be had. So keep that in mind it's not just the positions, it is having to borrow 1.75 million. If we are going to deal with that tonight then we should deal with a whole bunch of other questions. Calnon said listen to what Richard (Marks) said first you have to pay the employees and then the benefits and you go down through the laundry list and what's left over you pay the depreciation fund. The depreciation fund is an operating expense just like salaries and fringe benefits. If we borrow \$1.75 million to make up for this operating expense then we will be doing exactly the same thing as prior administrations. Bonding operating costs is unconscionable if its not it should be illegal. At the very least so no one makes a mistake we should sit on this for at least a week. I voted to get rid of some jobs tonight and I was ready in January and I know there are at least 6 of you who don't like me very much. But, it is a very hard thing to do and I know it's harder for you. But what is even more cruel is to say yes we are, no we aren't, yes we are, no we aren't. Damn it we need to do it once and do it right. We should have done it in January. We took a month to consider the ramifications of 6 and we are taking 5 minutes for 2. I think this is a very bad idea. I move to table.

By Councilor Calnon, Seconded by Councilor Valentine
Discussion:

Councilor Carpenter said we have taken several months to talk about 6 jobs and the answer we came up with was not to abolish the. If this motion by Chris fails then tomorrow morning we go to Mr. La Capra and we tell him we are keeping these six jobs and figure out what our rate increase is going to be and present it to the PSC. We have a chance now to make a difference in that by abolishing 2 positions to make a difference in our rate increase. We need to take care of it tonight. We are not going to have any new information tomorrow.

Councilor Rabideau wanted to reiterate that aside from the two positions Councilor Jackson is talking about MLD is already out of two positions, the Superintendent and the Senior Account Clerk which is combined to the Finance Director which the Mayor wanted. We are down those two positions and possibly a Meter Reader position.

Roll call: Councilors Carpenter, Kelly, Rabideau, Calnon, Valentine, Jackson
(Councilor Carpenter, Kelly, Rabideau, and Jackson voted in the negative. Councilor Calnon and Valentine voted in the affirmative)

RESOLVED: In accordance with the request therefore the Common Council approves the request to un-fund one lineman and one lineman helper

By Councilor Jackson, Second by Councilor Carpenter
Discussion:

Councilor Jackson said this has been an arduous task at best. It goes back to all the arguments that have been put out there and the thing is that the four of us who voted on to the abolition have been painted into a corner as people who only care about is friends and family and we don't care about rate payers and that is not true. We are concerned about the reliability and future the system. Six is too many and zero is not enough, this is a step into the right direction.

Councilor Kelly said he learned so much about MLD in the lat 6 weeks or so. He is convinced that MLD needs all the employees that they have right now. Kelly was thinking about his work in which he manages 13 people and if his boss came to him and said I have to cut some workforce Kelly would find away to get along without two people. They will still be able to function and o all the maintenance work to keep the plant operating and do some of the conversion work.

Councilor Carpenter said the four of them have been attacked pretty good but the truth is he wasn't attacked by anyone at the table and those are the people that make sense to him and care about. I knew going into this the media would attack and they don't get it all right some of the time. We all have been in this meeting tonight for two hours and Joe and Duckie have all of five minutes to present what went on and it's not possible to get it all right in five minutes.

Councilor Jackson said it hasn't been anything personal it's a business decision and it's maintaining the system. There is room for positions in his mind based on information received.

Roll call: Councilors Carpenter, Kelly, Rabideau, Calnon, Valentine, Jackson
(Councilor Carpenter, Kelly, Rabideau, and Jackson voted in the affirmative, Councilor Calnon and Valentine voted in the negative)

ACTION TAKEN: Adopted

Follow up Action: None

9. CLOSING PUBLIC COMMENTS

Councilor Kelly would like to reinstate monthly board meetings for MLD. Kelly would like to recommend that it includes a couple industrial leaders, a couple ordinary citizens and a couple of small business owners and learn how it operates and learn how it got into the finical debt and get MLD out of it.

Councilor Calnon said he agrees with the board meetings but would like to have them happen on the same night as the Common Council meeting because what is important is that it is accessible to the public.

Councilor Carpenter congratulated Community Development acquired a \$500,000 grant to help out the Center City and surrounding area.

Councilor Kelly proposed to find a way to fund an energy efficiency program for low income and seniors with the IEEP fund.

Mayor Kasprzak said we have had them in the past and presently but a lot of people haven't taken advantage of them. Hopefully we can promote it again and use the website.

Councilor Valentine would like to discuss more on new membership on the board so when we go into the vote we have a clear definition who they will be.

Councilor Carpenter said if we are looking for people and he has received a lot of emails of people who are interested in MLD.

Councilor Jackson thinks we need to move soon on finding a Finance Director. Jackson asked Richard (Marks) if he could provide the Council with a monthly report of usage and revenues by rate class and prior history for analysis and operating expenses too.

Councilor Calnon wanted to make sure that the Advisory Board is one thing and the Board of Directors is another. Calnon said to be careful which one and what kind of authority you give people.

Councilor Kelly said he understand that the Council is the Board of Directors and Kelly is sure he would like it to stay that way.

Dan Rugar congratulated the Council on their compromise. Rugar said they must now fix the cause that allowed the deficit. Rugar liked what Ed Champagne said that they all promised not to raise taxes. He said Dave Bezio demonstrated the ability to listen and help when he offered equipment to find Ed's lost energy costs at no expense to the City and a large value to Ed at no charge, has this happened yet? If it does happen that's an example of a win win and not win loose mentality. Dave was not bitter as Ed wanted his co-workers jobs gone. Instead Dave's constructive thoughts provided Ed with a substantially value with the service of looking for lost heat and all the future savings. Rugar said he found out that the service of the free market is worth \$295. Rugar recalls Bezio saying they would work for less if they were allowed to participate with the decision making process affecting the future MLD. Rugar said you (the Council) all avoided that like the plague. Rugar said recognizes the stress in being an elected official and that stress is a stress which sorts character. This is an opportunity for future voters to learn about the characters of their current choices. Rugar said to stop asking citizens to give credit for hard choices. You all knew what you were getting into when campaigning. What's a nice guy like you want to be Mayor for? I believe as you do Mr. Kelly that with the correct info the right choice is not hard to make. Rugar said that those of you searching for the right information, good job. If considering 6 out of 30 persons is right then reducing 6 of 30 in every department might also be right. It might equal a real tax relief. Safety first.

Motion to Adjourn by Councilor Calnon; Seconded by Councilor Kelly

Roll call: Councilors Carpenter, Kelly, Rabideau, Calnon, Valentine, Jackson

(All voted in the affirmative)

MEETING ADJOURNED: 7:50 p.m.